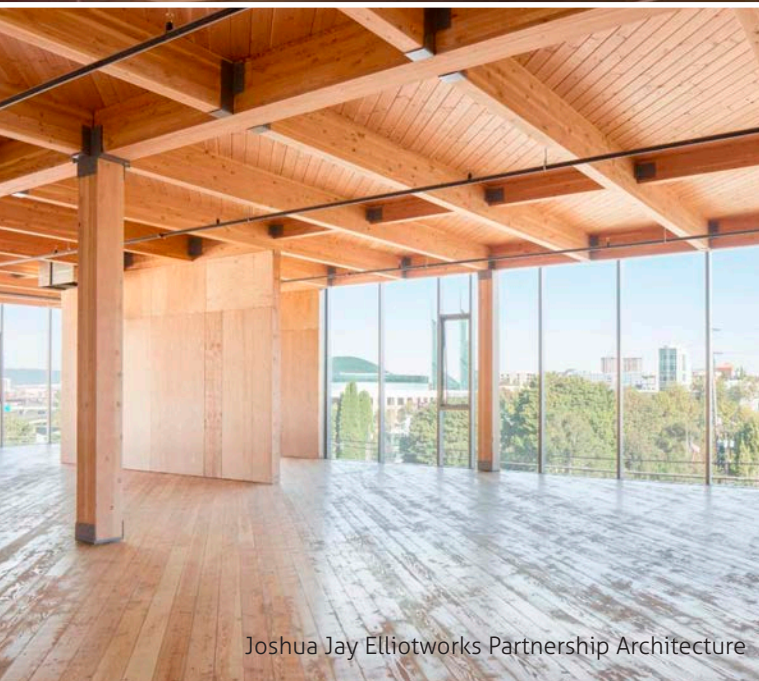


2015



Josh Partee



Joshua Jay Elliotworks Partnership Architecture



CJS Architects

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Softwood Lumber Board
www.softwoodlumberboard.org
info@softwoodlumberboard.org

LETTER FROM THE CHAIRMAN

Dear Colleagues,

On behalf of the Softwood Lumber Board, thank you for your commitment and contributions to strengthening our industry. By working together through the SLB, we are transforming our industry's relationships, changing attitudes for the better, and growing market share and opportunities to benefit the entire industry. Together, we made history in 2015 by becoming the first checkoff to develop a Memorandum of Understanding (MOU) with the U.S. Department of Agriculture, which I signed alongside Secretary Tom Vilsack in April 2015.

The MOU sets the stage for the SLB and USDA to coordinate and collaborate on research, demonstration projects, market development for innovative technologies, and a strategic partnership with the Forest Service that will drive up demand for softwood lumber products. The MOU is the latest signal of an exciting shift that is taking place for our industry, wherein we have transformed our relationships with government and nontraditional partners and have emerged as an unequivocal part of a solution that will keep loggers in the forest; grow stronger, more prosperous rural communities; and drive sales of softwood lumber.

With the MOU signed, we immediately set about tackling systemic challenges encountered by our industry. We supported important new research into innovative mass timber technologies, spurred architects to build taller with wood, championed carbon accounting for wood products, and promoted opportunities for softwood lumber's use in non-residential construction.

These innovations and outcomes show that our industry is serious about evolving to attract the next generation of loggers; motivate the next generation of architects, engineers, and designers to build with wood; grow demand for our products; and ultimately meet the needs of the 21st century's built environment and rural communities alike.

As evidenced by the MOU, the SLB is unique in its ability to build partnerships and promote lumber for the benefit of the entire industry. With your help and continued support, our programs will continue to grow stronger and—most importantly—achieve our shared, strategic vision to sell more softwood lumber and sustain a vibrant industry for generations to come.



Marc Brinkmeyer
2015 Chairman, Softwood Lumber Board
Chairman, Idaho Forest Group



“From the standpoint of promoting lumber, the SLB is the best and its programs continue to get better.”

Marc Brinkmeyer
Chairman, Idaho Forest Group

DELIVERING UNPRECEDENTED RESULTS

In 2012, the SLB retained Prime Consulting Group to conduct an independent, third-party evaluation of the SLB's promotions programs to measure effectiveness and quantify return on investment. The results are something for which the entire softwood lumber industry can be proud—since 2012, SLB programs have increased demand for softwood lumber by 1.68 billion board feet, valued at \$596 million. Every dollar spent to date by the SLB has yielded a \$15.55 return on investment.

Prime used custom survey data and asked a broad sample of architects and structural engineers in the non-residential and multifamily markets for information about their involvement with the SLB and their use of wood in 2011 and again in 2015. Overall industry impact and ROI were determined using independent industry data reported by Forest Economic Advisors (FEA), survey responses, and the FEA Price Elasticity Model.

The evaluation also found that professionals involved with SLB programs used 22.9% more wood over the four-year period than those with minimal or no involvement, whose wood use dropped by 5.9%. For professionals at least moderately involved, wood's share of structural materials rose four to eight points, while the share for those

minimally involved rose only 0.8 points. The evaluation also shows that the SLB succeeded in maintaining numerous markets and led to changes in codes and standards that are forecast to open up new opportunities.

The evaluation was reviewed and accepted by USDA economists, fulfilling the agency's independent review requirement, and spurred several SLB programs to add new metrics to support their goal setting and continuous improvement.

“It's clear that what we are doing is working. We can use this information to fine-tune our activities so we can achieve even more, and adjust our metrics to better measure results.”

Mike Case

2016 SLB Chairman

President and CEO, The Westervelt Company

Since SLB was established, **THE SUCCESS** has been unprecedented.

1.68^{Bbf}

of new demand has resulted from SLB investments since 2012



\$596 Million USD

Incremental sales

\$143 Million USD

Incremental industry price margin from FEA price elasticity model

15.55 : 1

Return on \$ invested

94%

of SLB expenditures are invested to **increase opportunities** for wood construction, **change attitudes** and **buyer perceptions** toward wood, and **convert projects** from steel and concrete to wood.

6%

of expenditures attributed to overhead

Carbon Summary estimate of 1.68 bbf from WoodWorks Carbon Calculator tool
Results



Volume of wood products used:
91,780,909 cubic ft



U.S. and Canadian forests grow this much wood in:
5 days, 5 hours & 33 minutes



Carbon stored in the wood:
1,983,942 metric tons of carbon dioxide



Avoided greenhouse gas emissions:
4,216,553 metric tons of carbon dioxide



Total potential carbon benefit:
6,200,495 metric tons of carbon dioxide

Equivalent to



1,184,295 cars off the road a year



Energy to operate a home for
527,042 years

LETTER FROM THE PROGRAMS CHAIRMAN

Dear Colleagues,

I am delighted to report that the SLB's five-year evaluation results are in, and, based on incremental softwood lumber consumption, the SLB and its programs have delivered better than a 15-fold return on your investment.

These results prove that the SLB's marketing funnel works as designed. The American Wood Council has indeed created new opportunities for wood's use through standards and codes; innovations in tall wood seeded awareness and excitement about what is possible when building with wood; reThink Wood and Wood, Naturally generated both widespread and targeted interest, and leveraged their outreach tools to generate leads and increased sales of our products; and WoodWorks was effective in converting 220 projects from competing materials to wood.



SLB Funded Programs



“If you go down the funnel over the last five years, we have generated over 1.6 billion board feet of new demand, exceeding \$500 million in value. These are the hard numbers, which have been verified by a third party. So, have we been effective? I think we have been very effective.”

Don Kayne
Chief Executive Officer
Canfor Corporation

Although not surprising, the SLB's independent program evaluator showed that more engagement on the part of an individual or company yields a higher rate of lumber usage. Our marketing funnel inherently taps into this dynamic by segmenting programs and messaging to create opportunities for engagement for everyone in the building industry. For example, the middle part of the funnel is proving effective in motivating older, more established architects to increase their lumber usage by upward of 23% on average. Most of these architects already have outstanding skills, but reThink Wood and our tall wood programming have captured their imagination and helped them achieve their sustainability goals as no other material could. Meanwhile, WoodWorks provides the technical support needed by the younger generation of architects to build with wood, often for the first time.

The integration of our programs as presented by the marketing funnel works as intended. With your support, our programs will continue to identify and capture new growth opportunities to the benefit of the entire industry.

A handwritten signature in black ink, appearing to read 'Don Kayne'.

Don Kayne
Chair, SLB Programs Committee
Chief Executive Officer, Canfor Corporation

AMERICAN WOOD COUNCIL

AWC Expands Opportunities for Wood

The American Wood Council (AWC) champions the continued acceptance of softwood lumber in building codes and standards. In 2015, AWC shepherded through 11 favorable changes to the International Code Council's (ICC) International Building Code (IBC) and five changes to the International Green Construction Code. Thanks to AWC, the ICC agreed to create a Tall Wood Ad-hoc Committee to recommend further changes for expanded construction opportunities in the 2021 IBC.

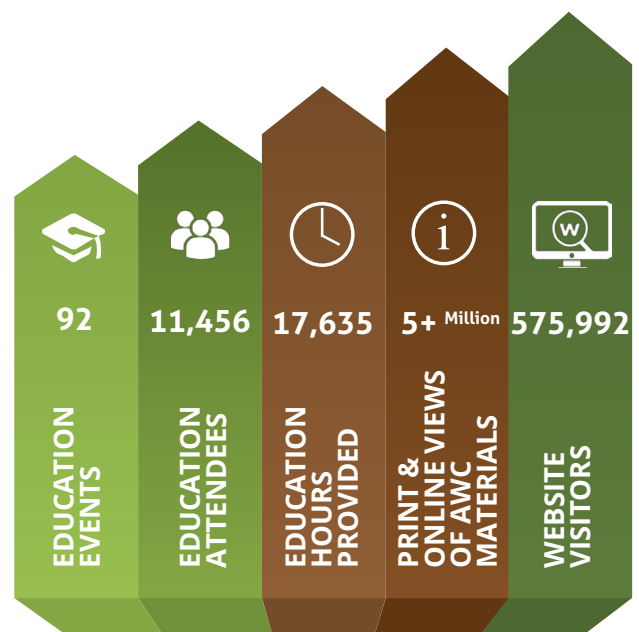
AWC is also committed to research and growing the body of evidence that proves wood's outstanding performance. In 2015, AWC conducted large-scale compartment fire tests and high aspect ratio shear-wall tests; and analyzed wood frame systems' response to seismic activity.

AWC's efforts in 2015 protected 3.2 billion board feet of lumber use.

On the education front, AWC reached nearly 11,500 designers and code officials through its programs, making it the second leading supplier of Preferred Provider Education for ICC building and fire official members. AWC also launched an online resource on construction-phase fires, published resources for calculating fire resistance and lateral connection values, and launched the Reuse Wood Directory to promote wood's reuse and recycling.



In 2015 AWC reviewed 702 Group A proposals for 2018 ICC standards and has achieved its desired outcome 95% of the time.



WOODWORKS

WoodWorks Exponentially Increases Softwood Lumber Demand

WoodWorks is the go-to resource for engineers and architects interested in converting projects to wood.

WoodWorks continues to deliver solid returns on investment by growing non-residential and multifamily markets for wood products through direct project conversions. WoodWorks converted 220 projects in 2015. WoodWorks is tracking another 488 project leads and looks forward to seeing them through to construction in 2016.

WoodWorks' events and personal relationships are proving the most effective means of achieving conversions. WoodWorks' events generated over 4,200 leads and 9,000 new contacts in 2015, and its staff logged over 2,700 personal interactions to turn leads into conversions. WoodWorks' help desk and education events reached thousands more.

WoodWorks is launching a new five-year strategy to triple its return on investment by 2020. New market expansion is a key part of its growth plan, and in 2015, WoodWorks entered the Houston, north/central Florida, and greater Boston markets, which together delivered 15% of influenced projects for the year.

WoodWorks' ROI is measured by

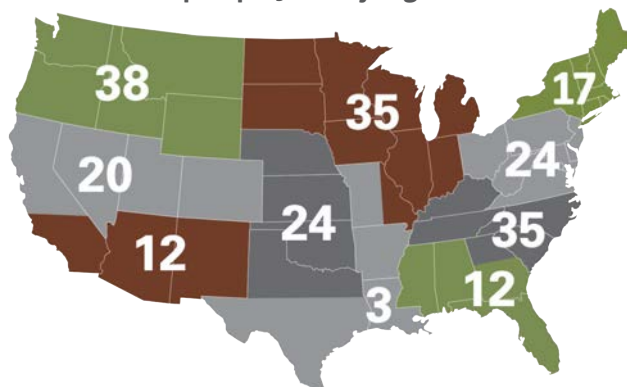
- Conversion metrics
- New demand and wood volume increases
- Permanent material preference shifts within firms
- Shifts in gross market share

WoodWorks™



220 Direct project influences and conversions

Map of projects by region



	EVENTS	ATTENDEES	LEADS
EDUCATION	262	17,465	3,791
TRADE SHOWS	33	50,840	347
WOOD SOLUTIONS FAIRS	5	1,919	807



Relationship with WoodWorks leads firm to wood solution in Highland Park, IL

RETHINK WOOD

reThink Wood Outpaces Competing Industries in Creating Positive Impressions

reThink Wood works on behalf of the industry to promote softwood lumber's proven economic, environmental, and societal benefits. Its compelling communications pieces and outreach tools reached millions of people nationwide in 2015, including nearly 114,000 architects, engineers, and specifiers.

More than 11,600 architects and engineers took tests and course hours on one or more of reThink Wood's continuing education units (CEUs), and reThink Wood added new CEUs to its online library of courses hosted by BNP Media, Hanley Wood, and AEC Daily.

reThink Wood's earned and placed media content created over 363 million impressions online and in print, including in leading architectural publications. Though competing materials had a slightly larger share of voice, wood consistently outpaced them in positive sentiment across all media types.

reThink Wood connected personally with nearly 2,000 architects and building professionals and generated hundreds of leads at trade shows and its Innovations Conferences. reThink Wood qualified 390 prospects, moving them a step closer to incorporating wood into their projects.

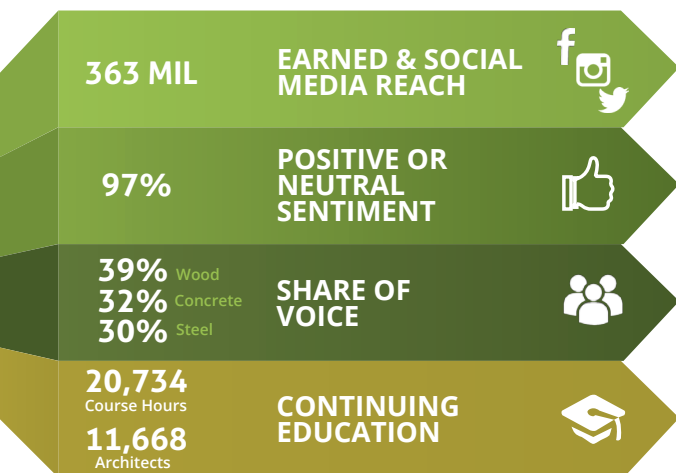
reThink Wood's communications and media efforts created over 363 million impressions on behalf of the softwood lumber industry.

For wood's value proposition to resonate and influence purchasing decisions, target audiences must receive messaging multiple times, via multiple channels, and, ideally, from respected influencers.



reThink Wood showcased softwood lumber's value proposition to more than 20,000 architects at the American Institute of Architects National Convention in Atlanta, GA.

reTHINK
WOOD®



WOOD, NATURALLY

Wood, Naturally Drives Increased Sales of Appearance Products

The SLB's Wood, Naturally campaign continues to successfully influence consumers and contractors to choose wood for their residential projects and, in turn, increase appearance product sales.

Wood, Naturally generated more than 436 million impressions through its targeted communications and corporate partnerships in 2015. Featured topics garnering national exposure included healthy homes, deck maintenance and safety, and DIY tips. Wood, Naturally's social media profiles reached more than 13.8 million people. In independent surveying, nearly 25% of respondents said they were more likely to choose softwood lumber for their next project after viewing Wood, Naturally's editorial and social media content. And 11% said they absolutely intended to buy wood.

The new website, www.woodnaturally.com, launched in October 2015 with a new design and better user experience. The new site attracted nearly 100,000 visitors and over 250,000 page views in the fourth quarter, a 506% increase in visitors, and a tenfold increase in page views compared with the preceding quarter.

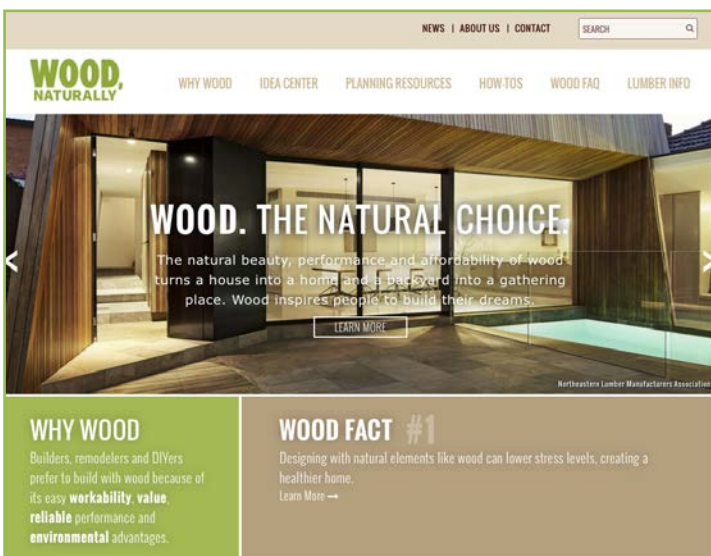
In 2015, Wood, Naturally promoted wood products' performance, value, and beauty by creating over 436 million impressions nationwide.

Wood, Naturally continues to build strategic partnerships to amplify its reach by tapping into partners' customer bases and brands. Key partners in 2015 included Olympic Paints & Stains, Simpson Strong-Tie, and Cox Industries.

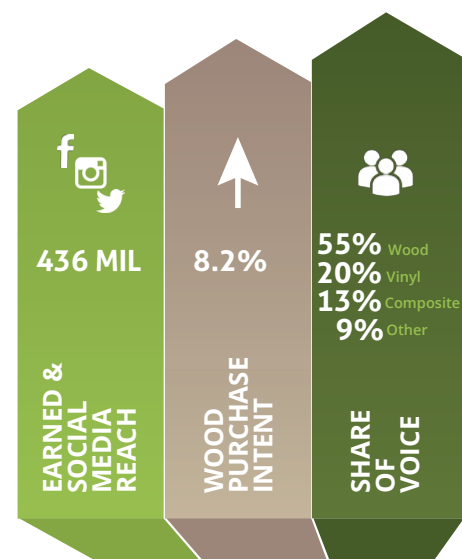


Wherever and whenever Wood, Naturally interacts with its audience, the program answers the question: "Why softwood lumber?"

New Residential Promotion Website Showcases Wood's Benefits



**WOOD,
NATURALLY**



TALL WOOD INNOVATION

Tall Wood Building Competition Spurs Imagination, Draws New Audiences to Wood

The SLB joined forces with the USDA and the Binational Softwood Lumber Council to create new energy and enthusiasm for tall wood buildings in the United States through the first-ever U.S. Tall Wood Building Prize Competition. The competition, which was open nationally to design-phase projects at least 80 feet in height, showcased the inherent economic, performance, and environmental benefits of building tall with wood.

The competition announced two winners in September 2015: Framework, a 12-story, 90,000-square-foot project in Portland, Ore., that will be constructed primarily of cross laminated timber (CLT), and 475 West 18th Street, a 10-story, 50,000-square-foot residential building in New York, NY. Each winner received \$1.5 million to conduct additional research, refine design, and win acceptance from code officials and local planning boards. When these projects debut by or before 2018, they will be among the first tall wood buildings in the U.S.

In addition to sparking imagination, the projects are kick-starting an important new market opportunity for softwood lumber. More than 75% of non-residential and multifamily residential buildings in the U.S. are 10 stories

“*Tall wood buildings have captured the imagination of architects and engineers throughout North America and increasingly throughout the world. They show that wood can be used to do fantastic things.*”

Duncan Davies

2016 SLB First Vice Chair

President and CEO, Interfor Corporation

or less, but few wood buildings are taller than four stories. Capturing the market between five and 10 stories will create an additional 4.6 billion board feet of incremental softwood lumber demand, and increased demand will help create and sustain thousands of jobs in manufacturing and forestry.

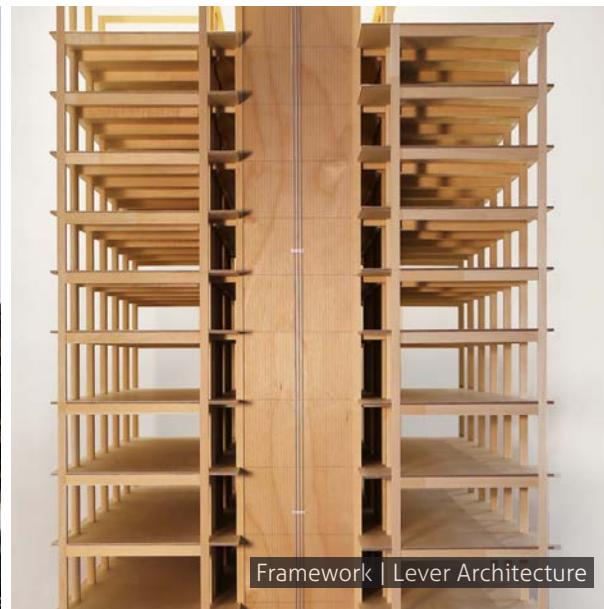
These factors combine to make tall wood buildings an exciting area of growth and promise for the softwood lumber industry. The SLB is thrilled to be partnering with the USDA to support this important innovation area and looks forward to creating tangible market impact.

Tall wood buildings can increase demand for softwood lumber by 4.6 billion board feet annually.

475 West 18th Street in New York, NY



Framework in Portland, OR



LETTER FROM THE FINANCE CHAIRMAN

Dear Colleagues,

The SLB continues to shepherd your investments wisely and expend resources where we can make a clear difference for the industry. In 2015, the finance committee retained an independent third-party evaluator to measure the performance of the SLB and its programs in accordance with the USDA's five-year evaluation requirement. USDA economists carefully reviewed and accepted the evaluator's methodology and findings, indicating that with an ROI of 15.55:1 the SLB met the USDA's five-year return on investment (ROI) evaluation requirement.

In 2015, the SLB collected \$12,750,000 in assessments to be invested in growing the market for softwood lumber. Over 93% of revenue was committed to programs, 6% was spent on overhead, including staff costs, Board and operating expenses, and 1% was spent on USDA fees and set aside for a modest reserve.

The SLB board remains firmly committed to keeping our operating structure lean and efficient so as to direct maximum resources to our program efforts. The SLB continues to receive nonfinancial support from the USDA and reimburses the USDA annually for its oversight costs. In 2015, the SLB received a \$1 million grant from the USDA, which supported the 2015 U.S. Tall Wood Building Prize Competition. Through our new Memorandum of Understanding, the SLB obtained an additional \$1 million in funding for WoodWorks from the Forest Service. Overall, year-on-year spending was up, commensurate with the growth and expansion of our programs. As the programs hit their implementation stride, higher spending is also delivering increasingly positive results in the form of expanded market share and softwood lumber consumption.

In 2015, the committee also oversaw the development of a new performance management process. Standardizing performance management is another way in which we are working to be accountable to our investors and demonstrate ROI.

Entering 2016, we are on target to direct \$14,120,551 to program activities and research and, once again, deliver sizable return on your investment.

As always, please feel free to contact me if you have any questions or would like anymore information on the SLB's financial positioning and performance. Thank you for your continued support.



Steve Zika
Chair, SLB Finance Committee
CEO, Hampton Affiliates



LETTER FROM THE INDUSTRY RELATIONS & GOVERNANCE CHAIRMAN



Over the past four years, the SLB has regularly reported performance metrics to companies investing in the checkoff describing the results of its marketing and research programs, which, by the way, have delivered outstanding results for the industry. In 2015, the SLB launched a new effort to leverage its marketing programs and tools to bring greater, direct value to more than 200 companies that invest in the checkoff.

Under our retooled outreach model, the SLB continues to pursue strategic, high-value external communications, but now we also are sharing our products with investors—companies that pay assessments into the softwood lumber checkoff—for their use and repurposing in company communications to customers and employees. We are gratified that our marketing programs generate increased interest in and demand for softwood lumber. We want these same tools to help our investors sell more lumber and motivate their employees to strive for excellence and take pride in working in an innovative, dynamic softwood lumber industry.

The SLB recently launched a revamped SLB website at www.softwoodlumberboard.org. The site offers an improved user experience while still communicating accurate, timely information about our industry, programs, and innovation areas.

In 2015, the committee also led efforts to create a board succession plan to attract new leadership to the Softwood Lumber Board of Directors. We hope you will do your part to identify and encourage our next wave of strong leadership so we can continue to grow our industry.

Best wishes,

A handwritten signature in blue ink that reads "Hank Scott".

Hank Scott
Chair, SLB Industry Relations & Governance Committee
CEO, Collum's Lumber Products LLC

“ Over time, we lost market, but now we are getting it back. Thanks to the work of the SLB, we have the market's attention and we are winning share back. ”

Jack Jordan
SLB Chairman Emeritus
Executive Vice President,
Jordan Lumber & Supply Inc.

2015 BOARD OF DIRECTORS

Domestic Manufacturers

U.S. South

Aubra Anthony Jr.

President and Chief Executive Officer
Anthony Forest Products Company

Adrian Blocker

Senior Vice President
Weyerhaeuser Company

Jack Jordan, Past Chair*

Executive Vice President
Jordan Lumber & Supply Inc.

Fritz Mason

Vice President and General Manager
Georgia-Pacific Wood Products Inc.

Hank Scott, Secretary*

Chairman and Chief Executive Officer
Collum's Lumber Products LLC

Danny White

President and Chief Executive Officer
T.R. Miller Mill Company Inc.

U.S. West

Marc Brinkmeyer, Chair*

Chairman
Idaho Forest Group

George Emmerson

Chief Operating Officer
Sierra Pacific Industries

Andrew Miller

President and Chief Executive Officer
Stimson Lumber Company

Chuck Roady

Vice President and General Manager
F.H. Stoltze Land & Lumber Company

Steve Zika, Treasurer*

President and Chief Executive Officer
Hampton Affiliates

U.S. Northeast & Lake States

Alden J. Robbins

Vice President and Sales Manager
Robbins Lumber Company

Importers

Canada West

Duncan Davies, First Vice Chair*

President and Chief Executive Officer
Interfor Corporation

Don Demens

President and Chief Executive Officer
Western Forest Products

Don Kayne, Second Vice Chair*

Chief Executive Officer
Canfor Corporation

Ted Seraphim

President and Chief Executive Officer
West Fraser Timber Co. Ltd.

Canada East

James Lopez

President and Chief Executive Officer
Tembec Inc.

Charles Tardif

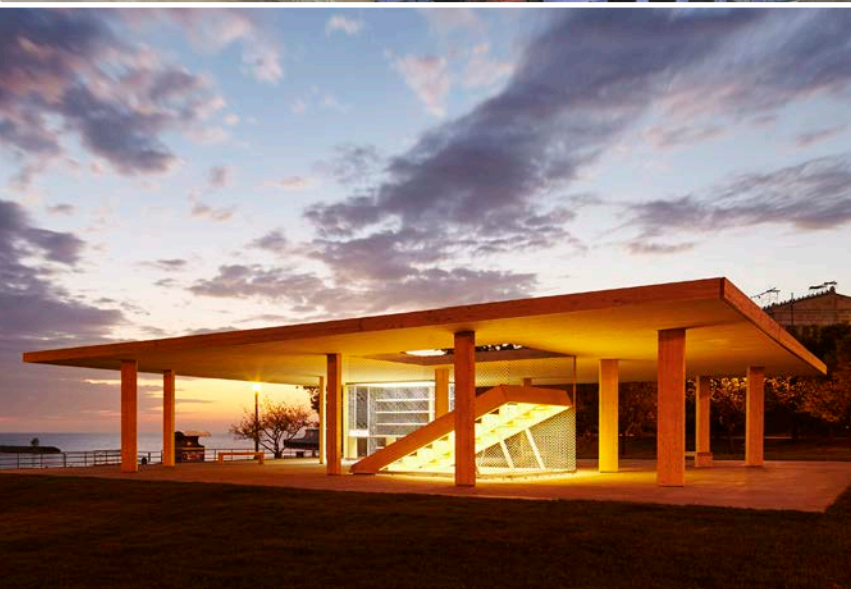
Vice President Procurment and
Business Development
Maibec Inc.

Overseas

Francisco Figueroa

Commercial Director
Arauco Chile

* Executive Committee



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